

# 2004 Neighborhood Electric Vehicle (NEV) Credit

## Arizona Form 328

### Phone Numbers

If you have questions, please call one of the following numbers:

Phoenix	(602) 255-3381
From area codes 520 & 928 toll-free	(800) 352-4090
Form orders	(602) 542-4260
Forms by Fax	(602) 542-3756
Recorded Tax Information	
Phoenix	(602) 542-1991
From area codes 520 & 928 toll-free	(800) 845-8192
Hearing impaired TDD user	
Phoenix	(602) 542-4021
From area codes 520 & 928 toll-free	(800) 397-0256

You may also visit our web site at: [www.azdor.gov](http://www.azdor.gov)

### Use of This Form

Use this form to do the following.

- Figure how much of a NEV credit carryover you have available from the 1999, 2000, or 2001 taxable year.
- Figure any recapture of a NEV credit.

### Line-by-Line Instructions

Enter the names and taxpayer identification numbers (TIN) as shown on Form 140, 140PY, 140NR, 140X, 120, 120A, 120S, 120X, or 165.

All returns, statements, and other documents filed with the Department of Revenue require a taxpayer identification number (TIN). The TIN is either a correct social security number or, for a business, the federal employer identification number. Paid tax preparers must also include their TIN on forms where requested. Taxpayers and paid preparers who fail to include the preparer TIN may be subject to a penalty. Please check the return to be sure that all required identification numbers are accurate and written clearly. Missing, incorrect, or unclear identification numbers may cause delays in processing the returns.

### Part I - Available Credit Carryover

#### Lines 1 through 4 -

Use Part I to figure your total available credit carryover from the 1999, 2000, or 2001 taxable year. Complete lines 1 through 4 if you claimed a credit for a NEV on your 1999 return, 2000 return, or 2001 return and the credit was more than your tax.

In column (b), enter the credit originally computed for the 1999 taxable year, 2000 taxable year, or 2001 taxable year. In column (c), enter the amount of the credit that you have already used. Subtract the amount in column (c) from the amount in column (b) and enter the difference in column (d). However, if you are required to complete Part VIII of Form 328, do one of the following instead.

1. If the amount on Part VIII, line 33 is a positive number, enter that number in column (d).

2. If the amount on Part VIII, line 33 is a negative number, enter zero in column (d).

Individuals, also enter the total available credit on Arizona Form 301, Part I, line 22.

**NOTE For Individual Taxpayers Only:** *If you are married, and you and your spouse file separate returns, you may each take only one-half of the total credit that would otherwise be allowed on a joint return.*

Corporations (including S corporations that elected to take the credit), also enter the total available credit on Arizona Form 300, Part I, line 18.

### Part II - Credit Recapture For NEVs Used on a Golf Course

**Part II applies only to NEVs purchased or leased on or after July 1, 2000.**

#### Lines 5 through 9 -

If any NEV, purchased or leased on or after July 1, 2000, is used on a golf course for purposes other than maintenance of the golf course after a credit is taken, then you must recapture any credit taken for that vehicle or vehicles.

Complete Form 328, Part II if the following apply:

- The NEV was purchased or leased on or after July 1, 2000.
- A credit was taken for that NEV.
- That NEV was used on a golf course for other than maintenance purposes after a credit was taken.

Complete lines 5 through 9 as instructed on the form.

### Part III - Credit Recapture For NEV Owners That No Longer Own the NEV, or That No Longer Have the NEV Registered in Arizona

#### Lines 10 through 16 -

The department must disallow the credit or recapture the credit if any of the following occur:

- The taxpayer transfers the vehicle to any person, other than a member of the taxpayer's immediate family or a person who resides in the same household as the taxpayer, within 36 months after the initial registration of the vehicle. The recapture will not apply if the vehicle is transferred because the vehicle is demolished or if the taxpayer dies before the end of the 36 month period.
- The vehicle is registered in Arizona for less than 36 months.

If any of the above occurs, the department must calculate the recapture as follows:

- If the date of the event that causes the recapture is within the first full year after the vehicle is placed in service, 100%.

- If the date of the event that causes the recapture is within the second full year after the vehicle is placed in service, 66 2/3%.
- If the date of the event that causes the recapture is within the third full year after the vehicle is placed in service, 33 1/3%.

Complete lines 10 through 16 as instructed on the form.

## **Part IV - Total Recapture**

### **Line 17 -**

Add the amount on Part II, line 9 and Part III, line 16. Enter the total.

## **Part V - Lessor/Lessee Information Applicable to the Recapture**

### **Lines 18 through 25 -**

If a credit that is subject to recapture was shared by a lessor and a lessee, then either the lessor or the lessee must complete Part V to let the other party know their share of the credit recapture.

Complete lines 18 through 25 as instructed on the form.

## **Part VI - S Corporation Shareholder Information Applicable to the Recapture**

### **Lines 26a through 26c -**

If the credit was passed through from an S corporation to its shareholders, the S corporation must provide each shareholder with information concerning the shareholder's pro rata share of the credit recapture. The S corporation must complete Part VI, lines 26a through 26c separately for each shareholder. The shareholder must complete Part VIII (lines 28 through 33).

## **Part VII - Partnership Partner Information Applicable to the Recapture**

### **Lines 27a through 27c -**

If the credit was passed through from a partnership to its partners, the partnership must provide each partner with information concerning the partner's pro rata share of the credit recapture. The partnership must complete Part VII, lines 27a through 27c separately for each partner. The partner must complete Part VIII (lines 28 through 33).

## **Part VIII - All Taxpayers Subject to the Recapture**

### **Lines 28 through 33 -**

Complete lines 28 through 33 as instructed on the form.

## **Equitable Relief**

If the taxpayer transfers the vehicle to any person, other than a member of the taxpayer's immediate family or a person who resides in the same household as the taxpayer, within 36 months after the initial registration of the vehicle or if the vehicle is

registered in Arizona for less than 36 months, you may be eligible for equitable relief if both of the following apply:

1. You were unable to meet either of the above requirements due to circumstances that would make the requirement unfair or inequitable to you; and
2. You acted in good faith.

See Department of Revenue general tax procedure, GTP 01-02 for more information about equitable relief.

Use Form AFV-RR, *Request for Relief From Alternative Fuel Vehicle Requirements*, to apply for equitable relief.

## **Form 328-P – NEV Penalty**

**Form 328-P applies only to NEVs purchased or leased on or after July 1, 2000.**

You must pay a civil penalty of \$1,000 for each NEV that is used on a golf course if all of the following apply:

- The NEV was purchased or leased on or after July 1, 2000.
- A credit was taken for that NEV.
- That NEV was used on a golf course for other than maintenance purposes after a credit was taken.

If a lessee and lessor share a credit for a NEV leased on or after July 1, 2000, and that NEV is later used on a golf course for other than maintenance purposes, then the lessee must complete Form 328-P and remit the penalty to the Arizona Department of Environmental Quality.

If an S corporation or a partnership has passed this credit through to its shareholders or partners, the S corporation or partnership, rather than the shareholder or partner is liable for the penalty. In this case the S corporation or partnership must complete and remit Form 328-P.

If you are liable for this penalty, complete and remit Form 328-P.